

Motor Insurance Policy (Third Party)

Please read the policy carefully. If you have any clarification, please don't hesitate to contact us.

For more clarification please contact our customer service team on the following number .

Customer Service

8004414442

RIYADH	Futuro Tower, Al Mather Street , P. O. Box : 2302- Riyadh 11451 Tel. : 011 405 5550 - Fax : 011 405 5588
JEDDAH	Medgulf Building, Ibrahim Al Jaffali Street , P.O. Box : 51830 - Jeddah 21553 Tel. : 012 660 6366 - Fax : 012 668 0098
KHOBAR	Naser Al-Hajri Tower, King Fahad Street , P.O. Box : 8836- Dammam 31492 Tel. : 013 814 7667 - Fax : 013 814 7665



Motor Insurance Plan

This document was issued on the basis of Royal Decree No 271 dated 20/12/1427H, in respect of Compulsory Motor Insurance and the Cooperative Insurance Companies Control law that issued by the Royal decree NO 32/M dated 02/06/1424 H and Edited by the Royal Decree No. 30/M date 27/05/1434 H and the executive regulations that issued by the decision of the Minister of Finance No. 1/596 dated 01/03/1425 H.

WHEREAS the policyholder has made an application to Medgulf – The Mediterranean and Gulf Cooperative Insurance & Reinsurance Company S.J.S.C. (hereafter called the Company) - to insure his vehicle against the risks described herein in return for the premium defined hereafter.

This Contract is proof that the company has agreed to hold the policyholder covered as long as payment of the premium is continued throughout the period of insurance.

The forms and sections listed below are attached to this policy on the date of issuance and form an integral part of the contract between the policyholder and the company as if they were recorded at length above the signatures affixed here below.

Form Number and Description	Page Number
insurance certificate and policy schedule	
Section one: Definition	2-4
Section Two : Coverage Limits	4
Section Three: Company's obligation Toward Third Party	4
Section Four: Company's Right to Recover from the Insured	4-5
Section Five : General Conditions	5-6
Section Six : Limitations and Exclusions	7
Section Seven: Claims Settlement Procedures	7-8

Standard Compulsory Cover

This policy specifies the minimum limit of compulsory insurance for vehicles to cover third party liability towards third parties in accordance with the provisions, conditions and exceptions contained therein or attached thereto, The insurance company and the insured are not allowed to agree to reduce the limits of liability for what is stated in this document.

The Insurance coverage:

Whereat the insured had approached the company requesting for insurance is the basis of this policy, and paid (or pledged to pay) the required contribution by him and the company accepted the request, that is considered as a commitment to compensate third parties all amounts occurred by an accident resulting in damage from a risk not excluded in the policy if the accident occurred within the territory of Kingdom of Saudi Arabia and the limits of the terms and conditions, that must be paid by the insured, driver or the party that caused the accident against:

- A. Physical injury to third parties inside or outside the vehicle,
- B. Physical damage to third parties outside the vehicle;
- C. Expenses

Section one: Definitions

The following are definitions for terms and words used in the policy unless implied otherwise.

1. Compulsory Insurance Policy:

Insurance towards third parties for vehicles is considered as a contract whereby the company undertakes to indemnify third parties in the event of damage resulting from a risk not excluded in the policy, due to an accident caused by the vehicle, against the contribution paid by the insured. This policy includes terms, conditions and



exceptions and schedule of the policy and appendix (if any), subject to none of them are contradict with the terms and conditions of this policy.

2. **The Company:** The insurance company which legally practices the cooperative insurance activities in the Kingdom of Saudi Arabia under the SAMA legislative conditions.
3. **Beneficiary (Insured person):**The legal or normal person who obtain or otherwise covered by the policy as specified in the policy schedule.
4. **Driver:** Anyone who drives a vehicle or equipment, or a motorcycle at the time of accident, 18 years of age and above and holds a driver's license
5. **Vehicle:** All means of transportation prepared on wheels or chains moving or being dragged by a mechanical or animal power that is either registered for use on a public street or is in a condition that complies with registration requirements and mentioned or described in the policy schedule (trains excluded).
6. **Third party:** Every normal or legal person who has suffered a loss or damage because of risk not excluded in the policy, except for the insured and / or the driver or whom caused the accident.
7. **The accident:** Each incident caused damage to third parties as a result of the vehicle use, explosion, burning, scattering, movement, self-impulse or parking of the vehicle.
8. **Physical Damage/Bodily Injury:** Death and / or physical injuries that may happen to third parties, including total disability or partial permanent or temporary.
9. **Material damage:** Damages to property that may belong to third party.
10. **Expenses:** Costs and expenses of medical treatment and medicines incurred by third parties due to an accident covered by the insurance policy. All costs incurred by third party for damages resulting by risk not excluded in the policy
11. **Claim:** Compensation request for damage resulting from a risk not excluded in the policy.
12. **Claimant:** The natural person or his/her or the legal legal representative or the legal representative of the legal person who suffered suffered due to a risk not excluded in the policy.
13. **Compensation:** Amounts to be paid by the company to the third parties within the maximum public liability mentioned in the policy.
14. **Premium:** The amount due by the Policyholder to the Company in return for its consent to indemnify third parties for damage or loss, that caused from a risk not excluded in the policy.
15. **Public Liability:** The insured and / or driver Legal responsibility towards third parties for what they caused of physical or material damage or expenses by the insured vehicle.
16. **Material FACT:** Any information that could affect the company's decision to determine the premium by 25% or more on the policy conditions or accepting a claim.
17. **Material Change:** Any change that will result in increasing the probability of a risk or an increase in its severity.
18. **Right of Recourse:** Is the right of the company to meet its payment of compensation to third parties from the insured or the driver due to the risks that is excluded under the policy.
19. **Policy Schedule:** The attached table in the policy that contains some of the information of the policyholder and the vehicle, which is considered as an integral part of it.
20. **Appendix:** An Agreement between the insurance company and insured to issue the policy by adding, modifying or canceling coverage to the basic coverage and it must be attached to the policy and considered as an integral part of it.
21. **Market Value:** estimated value of the vehicle in the market which changes according to vehicle's condition.
22. **Excess:** amount specified in the policy schedule which acts as an insured's contribution in case of a covered accident.
23. **Indemnity:** amount which the Company has to pay to the suffering party within its liability limits specified in the policy.

Section Two: Coverage Limits

In case on an accident, the maximum liability per incident for bodily injury, expenses and material damage combined should not exceed SAR 10.000.000 (ten million Saudi Riyals) during policy duration. Subject to policy terms and conditions.)

Section Three: Company's Obligation towards Third Party

Subject to section six of this policy, The Company has no right to hold itself non- liable towards Third Party for compensation under policy rules, due to traffic violation (before or after the accident) committed by the insured Member/Driver or the culprit; or failure to abide by the policy's terms. However, The Company has the right to recover the amount from the Insured Member /Driver within the legal means and after paying to the Third Party.



Section Four: Company's Rights in Referring to the Insured

Firstly: The Company has the right to recover from the Insured or Driver based on the following cases:

1. Any liability or expenses arising whenever the vehicle:
 - a. Is used against driving terms specified in the schedule.
 - b. Holds number of passenger greater the official authorized capacity and was proven that the accident was caused by this fact.
 - c. Driving the vehicle on the wrong side of the road (Against Traffic)
 - d. Driven by a person under the influence of drugs, alcohol or medicines that are prohibited medically while driving
 - e. Driven by any person under the age of 18 years unless it's the insured or among the names of authorized drivers whose age is less than 18 years under the policy schedule.
 - f. If it has been proven that the vehicle was driven without obtaining a driving license for the type of vehicle according to the relevant regulations, or an order was issued for the license to be withdrawn from the relevant authorities or due to expiry of driving license. unless the license was renewed within (50)working days of the date incident
 - g. Fleeing the scene of the accident without an acceptable excuse.
 - h. Crossing a red traffic light
2. Making incorrect statements or hiding a material fact in the insurance application form
3. If proven that the accident was caused intentionally.
4. If the Insured Failed to notify the company in writing within 20 working days of any material changes to details declared in the proposal form, Taking into account paragraph (1) of Section 5.

Secondly: if the Vehicle was stolen or taken by force, then the company has the right of recourse on the one who caused the accident or the insured in case the relevant authorities were not notified of the theft to recover what was paid to third party.

Thirdly: The Company must notify the insured within 20 working days from the date of submitting a claim where recovery applies. In addition to the company should exercise the right to recover during a maximum of one year from the date of claim settlement

Section Five: General Conditions

1. Changes:

The insured has to notify the company within 20 working days for any material changes stated in the insurance application, and the Company has to notify the insured in case of additional premium to be charged or refund part of it in case the premium reduced, and If the company failed to notify the insured confirms continuation of coverage with the same premium at inception.

2. Company's Right to Legal Proceedings and Settlement:

Company has the right to:

- a) Represent the insured or the driver in any investigation or interrogation at any claim or event that is subject of indemnity under this policy.
- b) Undertake the defense proceedings of the insured and the driver in any court law in respect of any claim/event, or any charges related to an event that may be subject of indemnity under this policy.
- c) The Insured shall notify the Company as soon as he is aware of any suit or an investigation of the mentioned accident, unless the delay was based on acceptable excuse.

3. The Company's Right to Include Insured's name in company's licensed system to collect consumer credit information:

The Company has the right to add Insured's name under the licensed company for consumer credit information collection in case failure to pay policy premium.

4. Insured's Obligations upon a risk Occurring not excluded in this Policy:

- a) Inform the concerned authorities immediately after the incident has occurred, and not leaving the scene until finishing the procedures, with exceptions of cases that require leaving the scene of an accident such as the physical injury.
- b) Refrain from declaring any responsibility to intentionally cause damage to The Company or commit



to any payment before seeking The Company's written approval.

- c) To cooperate with the company, in offering documents that allows the company to take action and certain procedures, either by defending or making settlements on behalf of the insured or the driver.
- d) The Company will take in hand any expenses of all the work that is necessary to ensure the company's right to collect any amounts required from other parties as a result of paying compensation under the policy.

5. Fraud:

All benefits emerging from the policy shall be forfeited if the submitted claim falls under fraud, or if the driver, insured or any designated party to benefit from the policy by way of fraud/scam or deliberate act of Collusion with any of the related, the company has the right to seek recovery from any party proven to have participated in the act whilst meeting its obligations toward Third Party if proven not to be part of the Fraudulent action.

6. Cancellation:

The company and the insured are not entitled to cancel the policy after issuance except in the following cases:

1. Vehicle Registration has been cancelled.
2. Transfer of Ownership.
3. Provide an alternative insurance policy covering the remaining period of the policy to be cancelled.

The company shall refund the remaining balance of the premium for the unexpired period of the policy to the insured bank account by way of transfer to the International Bank Account Number (IBAN) within three business days from the date of the company's knowledge of any of the cases mentioned at the beginning of the paragraph.

The amount owed to be returned to the insured is calculated for the unexpired period of the insurance coverage by subtracting elapsed days from total coverage days and then dividing the result by the number of total days of insurance coverage, Then the result is multiplied by the premium subtracting the administrative fees (maximum 25 riyals) the result is the remaining contribution. The formula as follows: $(365 - \text{Elapsed Days}) / 365 * \text{premium} = \text{remaining Contribution}$.

An exception to the obligation of the company to pay the remaining contribution in the event of a claim-relating to the policy to be cancelled and the same vehicle-exceeds the value of the amount assumed to be returned according to the method of calculation above.

The company, the insured and the driver shall remain accountable to terms and conditions stipulated by the policy before the cancellation date.

7. Issuing Policy and Renewal Notice:

The company may not issue a policy if it is not electronically linked to the company's approval system which have SAMA approval of providing services of collection, archiving and exchange of insurance information, The company must notify to the insured 20 working days prior to expiry to enable him to renew it or issuing another policy from different insurance company.

8. Jurisdiction and the Applicable Rules:

- A. Any dispute arising in this policy shall be subject to the regulations, rules in forced in the Kingdom of Saudi Arabia, and shall be adjudicated by the committees for the adjudication of disputes and insurance offences set out in article (20) of the Cooperative Insurance Companies control regulations issued by Royal Decree No. (M/32) dated 2/6/1424 H.
- B. Cases will not be subject to lawsuit after 5 years of accident date whereby stakeholders were made aware of unless a valid excuse was provided and approved by the Arbitration Committee.



Section Six: Limitations and Exclusions

This policy shall not cover claims arising from:

Any responsibility or cost arising from the following:

1. Loss or damage to the insured vehicle, to property belonging to any insured or driver inside or outside the vehicle, or to goods transported by the vehicle or in the custody, supervision or trusteeship.
2. Death or bodily injury to the Insured or the Driver
3. If the vehicle is used for any type of race or for determining the speed or the test of capability.
4. If the vehicle is used in areas where the public is not normally allowed to drive within airports or seaports unless the vehicle is used for commercial purposes within the allowable range
5. The insured or the driver bear to the accident responsibility harm the company.
6. Collusion of the Insured with others on an accident that is proven and confirmed in the accident report that issued by the authorized department.
7. Drifting
8. If the vehicle is used or operated as a working mechanism.
9. Fines, financial penalties, guarantees, securities instated against the Insured or the driver and arising from the accident
10. Any responsibility or expense arising directly or indirectly from the following:
 - a. War, invasion, act of foreign enemy, hostilities (whether war is declared or not) or civil war.
 - b. Riot, military or civil uprising, revolution, disobedience, martial law, blockade or any event causing the continuation of martial law, blockade, acts of sabotage, or acts of terrorism caused by one person or a group of people acting independently or associated with a terrorist organization. Terrorism is defined as any usage of hostility for political, cultural, philosophical, racial, social or religious reasons. It includes usage of hostility and/ or spreading fear among small group of people or the public; or influencing and/ or causing strikes and/ or intervening in any acts and/ or policies within the government jurisdiction. Or causing a strike negatively affecting the national economy or any of its sector.
 - c. Strikes, riots, or civil/ labor strikes.
 - d. Any event caused by ionizing radiations, nuclear weapons, radioactive pollution as a result of nuclear fuel, nuclear waste caused by nuclear combustion; including any nuclear fusion.
 - e. Natural hazards like hurricanes, earthquakes, flood or volcanoes

Section Seven: Claim Settlement Procedures.

1. The Company is committed to provide the applicant with claim reference number that proves receipt of application and notify him of any missing documents within 3 working days for (individuals) and 9 working days for (companies) from the date of claim receipt. The Company has the right of assign a surveyor or loss adjuster if deemed necessary within a period of no more than 3 working days for (individuals) and 9 working days for (companies) from the date of claim receipt.
2. The company is committed to settle claims with integrity and fairness without any negotiation within a maximum period of fifteen days Hejry (for individuals) and forty five days Hejry (for companies) from the date of receipt of full claim documentation from applicant. In the event that the claim is based on an enforceable court decision and the claimant has submitted or informed the company, the company is bound by the above.
3. The Company is committed to inform the claimant in case of acceptance or rejection of the claim and in case acceptance, fully or partially, the company is committed to clarify the amount it is compensated
4. The company is committed to settle and compensate claims through direct deposit of amount into the beneficiary's International Bank Account Number (IBAN).
5. Taking into account the periods specified in paragraphs (1) and (2) of this section, the company is committed to settle the claim in the event the vehicle was repaired prior to submitting the claim, subject to the claimant providing the company with the actual invoices for the repair and the authorized authority had inspected the scene of the accident and provides the company with the damage assessment report of the accident for the vehicle after the accident but prior to the repair authorization.
6. In case the company did not commit to settle claims during the specified period without a lawful



reason, the claimant has the right to file a complaint through SAMA's website ([ww.Samacares.sa](http://www.Samacares.sa)) Or he could submit his complaint to secretariat of the committees for resolution of insurance disputes & violations to obligate the company to settle the claims and compensate him for any costs as a result of non-use of the vehicle due to the delay in the settlement of the claim.

7. when the claim is rejected, partially or fully, the company is committed to the following:
 - a. Provide the claimant with reasons of rejection whether partial or full.
 - b. Notify the claimant that he could file a complaint through SAMA's website (www.Samacares.sa) or could submit his complaint to the secretariat of the committees for resolution of insurance disputes & violations as written in article 20 from the compliance of cooperative insurance regulation for consideration by those committees.
 - c. Provide the claimant with a copy of the supporting documents of Company's decision in the event that the claimant requested them.